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C O N F I D E N T I A L BUENOS AIRES 000742

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TAGS: [PREL](#) [PGOV](#) [KDEM](#) [PINR](#) [PHUM](#) [AR](#)
SUBJECT: ARGENTINA'S JUNE 28 CONGRESSIONAL ELECTIONS: THE
PERMUTATIONS ARE ENDLESS

REF: BUENOS AIRES 0729 AND PREVIOUS

Classified By: CDA Tom Kelly for reasons 1.4 (b) & (d).

¶1. (C) Summary and introduction: Argentina's ruling Victory Front alliance (FpV) appears headed for a nationwide defeat in the June 28 mid-term congressional elections and will likely lose its majority in the Chamber of Deputies and possibly in the Senate. The election is unlikely to clarify fully the future course of Argentine politics, however. The new Congress will not be seated until December 10, which may give the Kirchners time to win the support of stray parliamentarians and re-assemble a new majority. In any case, Congress is institutionally weak, and the Kirchners can probably govern around it. For many Argentines, the import of the June 28 elections lies in how they set the stage for the 2011 presidential elections, and whether they will mark the end of the Kirchners' dominance of Argentine politics. There is some speculation about how the Kirchners might respond to defeat. Finally, we offer some comments on how this truncated electoral campaign points to some disturbing indicators of the poor health of Argentine democracy. End Summary.

Nationwide defeat for the Kirchners?

¶2. (C) With only two days remaining before Argentina's June 28 national congressional mid-term elections, it appears President Cristina Fernandez de Kirchner's (CFK) Victory Front (FpV) will likely lose its majority in the Chamber of Deputies and possibly in the Senate. CFK's husband, former president Nestor Kirchner (NK), is heading the FpV slate in Buenos Aires province. In the face of a nationwide defeat, NK has largely succeeded in convincing many observers that the only race that counts is in Buenos Aires province, long a Peronist stronghold. Even there, however, NK is in a very tight race with the "Union-PRO" ticket headed by Peronist dissident Francisco De Narvaez. If he comes in first place there, NK is likely to do so with no more than 35% of the vote, far short of the over 45% that the FpV won in 2005 and ¶2007. This means that, even in "victory," the FpV could lose five or six of the 20 seats from that district that it has at stake in this race.

¶3. (C) In the next four largest districts (Federal Capital, Santa Fe, Cordoba, and Mendoza) the FpV will lose, coming in third or fourth place with ten percent of the vote or less. Nationwide, the FpV is expected to lose as many as 20 of the 116 seats it currently holds in the 257-member Chamber of Deputies, where it also currently counts on the support of

another 20 deputies. In the Senate, the FpV is expected to retain 36 of the 72 seats and count on the support of at least one other senator. NK has been reported to tell his confidants that the results of the June 28 elections will not be known until the new Congress is seated -- i.e., December 10 -- implying that NK expects in the five months following the election to snatch up enough stray parliamentarians to form a working coalition.

¶4. (C) In these mid-term congressional elections, the Kirchners are facing what, by our standards, would appear to be a stunning setback. However, the absence of a single clear winner on a national scale will diffuse the sting of their loss and muddy the political waters. The alliance between Peronist dissidents and Buenos Aires mayor Mauricio Macri is poised to win in the Federal Capital and possibly in Buenos Aires province but nowhere else. In Santa Fe, either the Socialists or independent dissident Peronist senator Carlos Reutemann will win, and in Cordoba other dissident Peronists, a Civic Coalition supporter, and Radicals are poised to do well. Elsewhere, the results will be equally mixed and difficult to decipher. Since Argentina's parties and alliances in this race are largely new, temporary, non-ideological mechanisms, we do not see how the June 28 election results could lend themselves to any interpretation of a "leftward" or "rightward" trend.

¶5. (C) Argentines are intrigued by the thought of how the Kirchners might react to defeat in these elections. Whatever the outcome, we expect the Kirchners will try their hardest to spin it in their favor. There is some speculation that CFK might resign or move up presidential elections as a

result of an NK defeat, but we doubt that. NK has not suffered many setbacks in his political career, but we are inclined to think that, even if he fails to convince everyone that he "won," he will set to conserving and restoring his power. There are also some optimists voicing the hope that the loss of their congressional majority will induce the Kirchners to change their governing style to one that is open to dialogue and negotiating with the opposition. We doubt that, too.

It's not about Congress

¶6. (C) What is really at stake in Sunday's elections? It is not really a battle for control of the Congress, which is institutionally weak. It does not control the government's purse-strings, it is thinly staffed, and it exercises scant oversight of the executive branch. In NK's four-and-a-half-year administration, the GOA issued 270 laws by executive decree, far more than the 205 approved by Congress (and most of the substantive legislation approved by Congress was initiated by the executive branch). In the absence of strong checks and balances, the executive branch here enjoys much greater leeway in obviating the legislative branch. An opposition-controlled Congress could theoretically start asserting itself vis-a-vis the executive branch, but that would require the fractious opposition to work together -- a tall order, indeed.

Setting the stage for 2011 presidential elections?

¶7. (C) These mid-term elections appear to be of interest to Argentines not so much for control of the Congress or the legislative agenda but rather as a stage-setter for the 2011 presidential elections. The conventional wisdom is that NK's slate needs to win first place in B.A. province so that he can retain enough space within the Peronist Party (PJ) to launch himself or someone else (CFK, BA province governor Scioli, etc.) as the PJ presidential candidate in 2011. A decisive defeat for Kirchner could marginalize him and open the bidding for the 2011 presidential race. Kirchner's major rival is widely considered to be Santa Fe senator Carlos Reutemann, who a few weeks ago had a 20-point lead in his bid for re-election June 28. That lead has dissipated, however,

due to opposition success in persuading Santa Fe voters that Reutemann's dissident status is a temporary ruse, and that Reutemann will rejoin forces with the Kirchners after the elections. Kirchner is anathema to many voters in agriculturally rich Santa Fe, Argentina's second province, who are still reeling from the Kirchners' protracted conflict with the farming sector in 2008.

18. (C) Santa Fe is also home to another presidential contender, Socialist Governor Hermes Binner. Like Reutemann, Binner is highly regarded for his moderate discourse and discretion. Binner is not a candidate in the June 28 election, but he has campaigned intensely for Senator Ruben Giustiniani, head of the Socialist ticket in Santa Fe. The latest polls in Santa Fe indicate that Giustiniani has been closing in on Reutemann's once-impressive lead, and they are now in a technical tie. If Giustiniani succeeds in defeating Reutemann, that would effectively eliminate Reutemann as a rival to NK or Buenos Aires governor Daniel Scioli for the Peronist nomination in 2011.

19. (C) Even if Giustiniani does not come in first place in Santa Fe on Sunday, Binner may emerge unscathed and still be in a position to become a compromise presidential candidate for the alliance of Elisa Carrio's Civic Coalition (CC), the traditional Radical Party (UCR), and the Socialists. Carrio's presidential prospects, in turn, may depend on how well her slates run in Buenos Aires city and province. Her prospects look poor -- both slates now seem to be running in third place, and she may fail to land a seat in the Chamber of Deputies. Her rival for the top slot on the non-Peronist opposition's presidential ticket in 2011, Vice President Julio Cobos, needs a victory by his slate of candidates in his home province of Mendoza in order to keep his own political aspirations alive.

110. (C) Back on the Peronist side of the opposition equation, if NK and Reutemann both lose on Sunday, that could clear the

path for Buenos Aires Mayor Mauricio Macri, who stands to benefit greatly if his ally De Narvaez should win Buenos Aires province. For 2011, De Narvaez ostensibly has his eyes set no higher than the governorship of Buenos Aires province because his birth outside of Argentina (in Colombia) currently precludes presidential office. Some believe, however, that De Narvaez may seek to get the Constitution changed or have a court find that provision contrary to the spirit of the Constitution or in violation of international conventions. De Narvaez, a multi-millionaire center-right politician, spent prodigiously from his own fortune to run a slick, professional campaign. He also benefited greatly from being singled out for opprobrium by the increasingly unpopular Kirchner.

The U.S. not a target

111. (C) In a race that has been driven by images, not issues, foreign policy has not been debated, and the United States has not been a target in the campaign. To the extent that President Obama has been mentioned, it has only been on favorable terms, with various candidates -- including former U.S.-basher Nestor Kirchner -- seeking to identify themselves with the new administration in Washington. (Cozying up to the United States is a new development for the current crop of politicians here, and reflects President Obama's popularity among Argentine voters.)

Potential for fraud?

112. (C) As in any close race, the potential for fraud -- and the certainty that fraud will be alleged -- will increase according to the narrowness of the margin of victory. Even in 2007, there were allegations of electoral hanky-panky (mostly the disappearance of opposition party ballots from some voting booths), but CFK's 2-to-1 margin over her runner-up, Elisa Carrio, made it easy to dismiss the impact

of marginal fraud on the outcome. Due to NK's high personal investment in the outcome of this year's election and the suspicion with which the opposition regards the Kirchners, there will almost certainly be allegations of fraud again. If the Kirchners' FpV wins by only a slim margin in Buenos Aires province, the relevance of fraud will be harder to dismiss, and the allegations may easily turn into bitter claims that the elections were stolen. In that scenario, although the Argentine public has been largely apathetic about these elections, we do not rule out the possibility of violence.

¶13. (C) Unfortunately, the potential for fraud -- particularly what's known locally as "small-time fraud" ("fraude chico"), in which partisans remove from voting booths the ballots of other parties, as well as the rumored issuance of false identification documents for ballot-stuffing purposes -- continues to loom. The international community will not be in a position to comment on the validity of the electoral process. Opposition parties asked the OAS to deploy an electoral observation mission, but the OAS reply was that it would only consider requests from the governments of member states. The GOA did not request an OAS observer mission or invite any other international observers, although a handful of foreign electoral "experts" whose identities have not been divulged will tour voting stations on June 28. Argentine officials have made it clear that international scrutiny of their voting is not welcome, but electoral authorities have arranged a June 28 tour for foreign diplomats.

Cabinet changes coming?

¶14. (C) CFK is widely expected to make some changes in her Cabinet following the election. That said, CFK kept three-fourths of her husband/predecessor's Cabinet in place, and her Cabinet has been remarkably stable since she took office 18 months ago, with only a couple of ministerial changes. In the event of an electoral defeat, the Kirchners may well dig in their heels and insist on keeping their team in place rather than undertake any moves which might be interpreted as a sign of weakness. Still, there are strong rumors that the Health Minister Graciela Ocana, exhausted

from contending with outbreaks of dengue and A (H1N1) influenza and demoralized from doing battle with CGT labor leader Hugo Moyano, is soon heading out the door. There are also rumors that Cabinet Chief Sergio Massa is looking to go back to his position as mayor of Tigre in Buenos Aires province or that he will be cajoled into taking the congressional seat that he is expected to win June 28. (That said, rumors of Massa's departure from the administration have been swirling almost since he joined the Cabinet at the end of July 2008.) The media have been touting Massa protege Amado Boudou, currently head of Social Security (ANSES), as a replacement for the near-invisible Finance Minister Carlos Fernandez. There is also some speculation that MOD Nilda Garre might be replaced, although there have been no signs of Kirchner unhappiness with her.

Sad Comment on the State of Democracy?

¶15. (C) There are many aspects to the June 28 elections that unfortunately point to disturbing trends and the weaknesses of Argentina's democratic institutions. The way in which the government in March moved up the elections from October to June signaled the government's disrespect for rules across the board. Political parties still show no internal democracy in how they are organized; without exception, candidates were picked in a non-transparent, non-inclusive fashion, without benefit of primaries. As one pundit pointed out, virtually every soccer club in Argentina is run more democratically than Argentina's political parties. Nestor Kirchner picked some well-known "testimonial candidates," such as Buenos Aires governor Daniel Scioli and Cabinet Chief Sergio Massa, to run with him at the top of their party

slates. Their selection points to a problem inherent with a party list system that allows unknown political operatives to ride into Congress on the coattails of the few headliners at the top of their slates. The need for Kirchner and others to enlist "testimonial" candidates who are not committed to actually serving in Congress, if elected, also stems from the failure of political parties to generate new leaders. As noted above, there was very little debate of issues or proposals in this campaign, which traded mostly on images. Pollster proliferation has largely discredited surveys of voter intentions for their widely diverging results, and the media seem to be doing little to keep the pollsters honest. And, as detailed above, the potential for electoral fraud seems to exist.

KELLY